HALF YEAR FINANCIAL REPORT 2024

(UNAUDITED)

ARCTIC BIOSCIENCE

THIS IS ARCTIC BIOSCIENCE

Arctic Bioscience is a clinical stage biotechnology company working to develop drug candidates within the areas of autoimmune and inflammatory diseases. The company's unique proprietary extraction technology is used to extract membrane fats from marine raw materials, such as herring roe and algae.

Arctic Bioscience is developing HRO350 – an oral novel investigational drug candidate. HRO350 is being developed for treatment of patients in mild-to-moderate psoriasis. This is a large patient group in need of new effective medicines with a beneficial safety profile.

At the core of Arctic Bioscience is a team of experts with more than 25 years of experience in lipids and marine oils, complemented by a substantial internal competence in research, chemistry, nutraceutical and pharmaceutical development, as well as an internationally experienced commercial and financial apparatus.

In addition to its major pharmaceutical efforts, Arctic Bioscience has a dedicated nutraceutical division that develops and sells phospholipid-DHA omega-3 products under the brand name ROMEGA®.

Arctic Bioscience's comprehensive approach, from cutting-edge research to novel pharmaceuticals and impactful nutraceuticals, positions the company as a key player in the dynamic landscape of inflammatory indications. By delivering on our mission, Arctic Bioscience will contribute to quality of life, value for patients with an unmet need for treatment, value for the international pharmaceutical community, and value for our investors.

HIGHLIGHTS
FIRST HALF YEAR 2024

Pharma

- The HeROPA clinical trial fully recruited in January 2024 and proceeding as planned, de-risked by sufficient number of patients has passed the 6 months milestone

- 6 months primary end points read-out from the HeROPA clinical trial is expected ultimo September/early October 2024

- Our recently published mode-of-action research showed positive effects related to resolution of inflammation of phospholipid esters from HRO350

Nutra

- Nutra revenues in the first half of 2024 totalling NOK 16.7 million (NOK 19.1 million). Revenue prospects for H2 2024 are positive

- Booked sales and received purchase orders at end of the first half of 2024 secures total sales revenues above total sales in 2023

- Stable gross margin development in H1 2024 at 30.6 % (30.0 %). Adjusted EBITDA of NOK -20.9 million (NOK -18.3 million)

Arctic Algae

- The acquisition of Arctic Algae in 2023 has given positive results with strong R&D collaborations and discovery of a new microalgae species which opens up for new and exciting future commercial opportunities and IP

KEY FIGURES

	Arctic Bioscience Group	
Amounts in NOK	H1-2024	H1-2023
Revenues	16 746 339	19 080 525
Gross profit	5 130 420	5 730 477
Gross margin %	30.6 %	30.0 %
EBIT	-24 183 920	-22 585 042
EBITDA	-21 606 194	-20 032 914
Adjusted gross profit*	**5 130 420**	**5 730 477**
Adjusted gross margin %*	**30.6 %**	**30.0 %**
Adjusted EBIT*	**-23 499 591**	**-20 845 111**
Adjusted EBITDA*	**-20 921 865**	**-18 292 983**
Cash flow operating activities	-25 601 704	-27 718 726
Cash flow from investment activities	-33 940 283	-23 611 356
Cash flow from financing	-229 204	20 985 250
Net cash flow	**-59 771 191**	**-30 344 832**
Cash and cash equivalents end of period	**49 830 878**	**113 806 741**

	30.06.2024	31.12.2023
Total assets	273 210 466	300 251 576
Total equity	235 094 124	258 557 236
Total liabilities	38 116 342	41 694 340
Equity ratio	86%	86%

* Adjustments in 2023 and 2024 are made for one off costs during the first half year related to incurred costs internal development project

INTERIM REPORT

All figures relate to the Group. Figures in brackets refer to the corresponding period last year and/or balance figures as of end of last year.

Operational review

Pharma

The main focus in Pharma is to develop a novel, oral drug candidate (HRO350) for the treatment of mild-to-moderate psoriasis in the multibillion USD global psoriasis market. The phase IIb clinical trial (HeROPA) was fully recruited in January 2024. In total 521 patients were recruited in UK, Germany, Poland, Norway and Finland.

During 2024 the development in the HeROPA trial has proceed according to plan. The 6 months primary end point read-out is expected to be conducted ultimo September/ early October 2024.

Over the last years Arctic Bioscience had a research project ongoing to investigate underlying mechanisms of action for HRO350. This research is also relevant for the treatment of other inflammatory diseases and may open possibilities of new indications for the HRO350 drug candidate in the future, beyond psoriasis. In June 2024 positive results from this research project were presented at the 9th European Workshop on Lipid Mediators in Edinburgh. The data illuminate a mechanism of action of HRO350, where new data on human primary immune cells show that phospholipid esters from herring roe promote biosynthesis of specialized pro-resolving mediators (SPMs) that are involved in anti-inflammatory activities. This mode of action can be a promising treatment modality in inflammatory conditions, including psoriasis, and supports an anti-inflammatory action of the investigational medicinal product HRO350, specifically in the resolution of inflammation.

Arctic Bioscience has previously received a positive opinion on its Paediatric Investigational Plan from the European Medicines Agency (EMA) for the psoriasis oral drug candidate, which may represent a significant increase in market potential for HRO350. In addition, Arctic Bioscience has several drug development projects in the pipeline, including a novel drug candidate for supporting brain development in extremely premature infants (ABS302).

Nutra

The Group's nutraceutical products are ROMEGA®, a premium phospholipid omega-3 oil based food supplement with a 3:1 ratio of DHA to EPA, and high-quality protein. ROMEGA® supplements contain SPMs, which are bioactive lipids that play a crucial role in resolving inflammation and promoting tissue homeostasis. This makes ROMEGA® particularly beneficial for inflammation related nutraceutical solutions including sports nutrition and supporting recovery.

The Group's strategy for sale of nutraceutical products is multi-dimensional, including B2C, B2B and strategic partner sales.

The total sales revenues from the nutraceutical business are slightly lower in 2024 compared to the same period in 2023, mainly driven by customers' delivery plans and slower than expected sales in some areas. Booked sales and received purchase orders at the end of the first half year of 2024 secures total sales revenues above total sales in 2023. The B2C segment is showing a continued positive development compared to last year, with over 20 % growth year-on-year.

Arctic Bioscience works diligently to strengthen the future foundation for increased presence in existing markets and explore new opportunities in new markets. During 2024 the company has established new business partners both in the European and Middle Eastern markets. In some key Asian markets food authority approval processes are ongoing together with local partners to secure expanded market access for ROMEGA® nutraceutical products.

The strategic partnership with Kotler (Tromso Nutrition Technology LTD.) in the Chinese market is developing well. Based on received purchase orders the revenue prospects for the last six months of 2024 are positive.

Arctic Algae

In Q1-2023 Arctic Bioscience acquired Arctic Algae AS, a biotechnology company specializing in development and production of micro algae by utilizing innovative reactor technology and core expertise in extraction. The acquisition represents a major opportunity for Arctic Bioscience in continuing designing and extracting marine membrane lipids for application in new pharmaceutical and nutraceutical products. The acquisition has positive effects in combining the expertise and R&D-environments in the two companies, with new research projects sprung from the collaboration. During 2024 the research team has found a new microalgae species on the coast outside of Ørsta, a type of microalgae which has not been described before. Arctic Algae has filed patent on the microalgae which will protect the further development and utilization of it. Microalgae as a source of omega-3 phospholipids will further boosts the focus on sustainability and green natural resources.

Results for H1 2024

The total result for the first half of 2024 was somewhat behind expectations for top line development. Compared to first half year of 2023 the nutra revenues were 12 % lower in first half year of 2024, mainly driven by customers' delivery plans and slower than expected sales in the American nutraceutical market. Still, at end of first half of 2024, more than 100 % of the total nutra 2023-revenues are secured for 2024 via sales and received purchase orders. The gross margin has remained stable and increased compared to 2023, in line with expectations. Cost focus brings the operational expenses for the first half year of 2024 in line with the budget for the corresponding period.

Revenues and other income

The revenues come from sale of the nutraceutical products. For the first six months of the year the revenues were NOK 16.7 million (NOK 19.1 million). The B2C segment had a positive development in the first half year, with a 20 % growth compared to the same period in 2023. The European nutraceutical market, ex. Norway, represented the largest market share with 38 % of the total revenues. APAC amounted for 33 % of the total revenues, the Norwegian nutraceutical market 21 %, while the American market amounted for 8 %.

Other income of NOK 0.46 million is government grants received in relation to one of the Group's algae research projects.

Gross profit

Gross profit for the first six months of the year was NOK 5.1 million (NOK 5.7 million), corresponding to a gross margin of 30.6 % (30.0 %). As noted, the gross margin has remained stable compared to 2023, and increased with 1.6 percentage points compared to 2023 in total. Between the various months the gross margin is affected by the product mix of goods sold. The Group has constant focus to ensure that any experienced cost increases, especially related to sub-production costs, are represented in the prices to the customers.

Operating costs and EBITDA

Personnel expenses for the first half year totaled NOK 12.9 million (NOK 11.0 million). During the first half of the year, approximately 14 % of the total personnel expenses were capitalized on development projects. The increase in personnel expenses is explained with increase in headcounts in 2024, and full effect of the consolidated figures from Arctic Algae in the first half year of 2024 compared to just one quarter in first half year of 2023.

Other operating expenses amounted to NOK 14.3 million (NOK 14.7 million). Operating expenses in the first half year of 2024 were in line with the total budget for the period. Costs related to the pharmaceutical development projects have mainly been capitalized throughout the year.

Adjusted EBITDA for the first six months of the year was NOK -20.9 million (NOK -18.3 million).

Cash flow

Consolidated net cash flow from operating activities was NOK -25.6 million (NOK -27.7 million), mainly driven by increased accounts receivables and increased other accrual items, in addition to the negative operating result.

Net cash flow from investment activities was NOK -33.9 million (NOK -23.6 million), mainly driven by investments in the pharmaceutical development project for HRO350.

Cash flow from financing activities totaled NOK -0.2 million (NOK 21.0 million) during the period. This is mainly related to down-payment of the long-term financial liabilities in connection with the Group's leasing agreements.

Total net cash flow during the first half of 2024 ended at NOK -59.8 million (NOK -30.3 million). Given the stage of the main pharmaceutical development project the cash flow development is according to expectations. At the end of first half year 2024 the Group also has an unused credit facility of NOK 30 million. Total available liquidity amounts to NOK 49.8 million.

Financial position – balance sheet as pr. 30.6.2024

The Group's financial position at the end of the period was strong. Total equity on June 30th 2024 amounted to NOK 235.1 million (NOK 258.6 million). This corresponds to an equity ratio of 86 % (86 %).

Total non-current assets as of June 30th 2024 amounted to NOK 198.4 million (NOK 167.1 million). The increase during the first half of the year is mainly related to an increase in intangible assets connected to the pharmaceutical development of HRO350.

The Group has NOK 74.7 million (NOK 133.2 million) in current assets, including NOK 19.8 million in cash and cash equivalents (NOK 79.6 million), NOK 30.6 million (NOK 32.8 million) in inventory and NOK 24.3 million (NOK 20.8 million) in total short-term receivables. In addition to booked cash and cash equivalents the Group has an unused credit facility of NOK 30 million.

The Group has a long-term debt of NOK 1.8 million related to financial leasing agreements. Total liabilities amounted to NOK 38.1 million (NOK 41.7 million).

Share information

Arctic Bioscience has been listed on Euronext Growth since February 24th 2021. As of June 30th 2024, the Company had 25 369 552 issued shares, divided between 772 shareholders.

Ronja Capital AS was the largest shareholder as of June 30th 2024, with 3 087 999 shares, representing 12.17 %. Note 7 includes a list of the 20 largest holders of the Company's shares.

Future prospects

Arctic Bioscience's main strategic focuses are to finalize the HeROPA study for HRO350 and continue the market expansion of the company's nutraceutical product line. The primary end point read-out (6 months) from the study is expected ultimo September/early October 2024. Results from this study will lay the foundation for a future phase III study and a following commercialization.

The liquidity situation is closely monitored. Various financing alternatives will be considered to secure the future funding of the company's activities post the primary data readout. In addition, the process of pursuing potential commercial partnerships for HRO350 as part of funding a future phase III will continue.

Based on received purchase orders for the second half of 2024 and general order outlook with new sales prospects, the company expects increased revenue development compared to the start of the year. Arctic Bioscience aims for a total year over year revenue growth in 2024 of 20-30 %.

Ørsta, June 30th 2024, August 28th 2024

The Board of Directors and CEO of Arctic Bioscience AS

Harald Nordal
Chairman

Jostein Christian Dalland
Board member

Per Magne Eggesbø
Board member

Marita Holstad
Board member

Tore Tønseth
Board member

Asbjørn Solevågseide
Board member

Hu Cao
Board member

Jan Endre Vartdal
Board member

Christer Valderhaug
CEO

INCOME STATEMENT

Amounts in NOK	Note	Arctic Bioscience Group H1-2024	Arctic Bioscience Group H1-2023
Operating income and operating expenses			
Revenues	1	16 746 339	19 080 525
Other income		457 963	0
Total income		**17 204 302**	**19 080 525**
Cost of goods sold		11 615 919	13 350 048
Salaries and other personnel expenses	2	12 943 781	11 010 953
Depreciation and amortisation expenses	3, 4	2 577 726	2 552 128
Other expenses		14 250 796	14 752 438
Total expenses		**41 388 222**	**41 665 567**
Operating profit		**-24 183 920**	**-22 585 042**
Financial income and expenses			
Financial income		1 955 083	2 372 839
Financial expenses	4, 5	1 287 234	452 310
Net financial items		**667 849**	**1 920 529**
Net profit or loss before tax		-23 516 071	-20 664 513
Net profit or loss after tax		-23 516 071	-20 664 513
Net profit or loss	6	**-23 516 071**	**-20 664 513**
Earnings pr. share		**-0.93**	**-0.81**

BALANCE SHEET

as at 30.6.2024 / 31.12.2023

		Arctic Bioscience Group	
Amounts in NOK	Note	30.06.2024	31.12.2023
ASSETS			
Non-current assets			
Intangible assets			
Development	3	168 962 023	136 353 277
Concessions, patents, licenses and trademarks	3	1 655 964	1 779 509
Goodwill	3	2 228 599	2 525 745
Total intangible assets		**172 846 586**	**140 658 531**
Property, plant and equipment			
Building and plot	4, 5	14 082 357	14 117 607
Machines and facilities	4	9 077 086	9 346 591
Ships and other floating installations	4	183 842	198 416
Equipment and other movables	4, 5	2 269 330	2 775 497
Total property, plant and equipment		**25 612 615**	**26 438 111**
Total non-current assets		**198 459 201**	**167 096 642**
Current assets			
Inventories	5	30 625 759	32 793 790
Receivables			
Accounts receivable	5	11 373 041	9 570 595
Other current receivables		12 921 587	11 188 480
Total receivables		**24 294 628**	**20 759 075**
Investments			
Cash and cash equivalents		19 830 878	79 602 069
Total current assets		**74 751 265**	**133 154 934**
TOTAL ASSETS		273 210 466	300 251 576

BALANCE SHEET

as at 30.6.2024 / 31.12.2023

		Arctic Bioscience Group	
Amounts in NOK	Note	30.06.2024	31.12.2023
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	6, 7	2 536 955	2 536 955
Share premium reserve	2, 6	232 557 169	256 020 281
Total paid-in capital		**235 094 124**	**258 557 236**
Total equity		**235 094 124**	**258 557 236**
Liabilities			
Non-current liabilities			
Liabilities to financial institutions	4, 5	1 766 569	2 048 730
Total non-current liabilities		**1 766 569**	**2 048 730**
Current liabilities			
Accounts payables		19 265 901	18 375 982
Public duties payables		2 839 582	2 253 032
Other current liabilities		14 244 290	19 016 596
Total current liabilities		**36 349 773**	**39 645 610**
Total liabilities		**38 116 342**	**41 694 340**
TOTAL EQUITY AND LIABILITIES		**273 210 466**	**300 251 576**

CASH FLOW STATEMENT

		Arctic Bioscience Group	
Amounts in NOK	Note	H1-2024	H1-2023
Cash flow from operating activities			
Profit/loss before tax		-23 516 071	-20 664 513
Ordinary depreciation	3, 4	2 577 726	2 552 128
Change in inventory		2 168 031	88 708
Change in accounts receivable		-1 802 446	-3 103 612
Change in accounts payable		889 919	-4 297 507
Change in other accrual items		-5 918 863	-2 293 930
Net cash flow from operating activities		**-25 601 704**	**-27 718 726**
Cash flow from investment activities			
Payments to buy tangible and intangible assets	3, 4	-33 940 283	-23 611 356
Net cash flow from investment activities		**-33 940 283**	**-23 611 356**
Cash flow from financing activities			
Net new long-term liabilities	5	-282 161	4 193 004
Proceeds from equity	2, 6	52 957	16 792 246
Net cash flow from financing activities		**-229 204**	**20 985 250**
Net change in cash and cash equivalents		-59 771 191	-30 344 832
Cash and cash equivalents at the start of the period (1.1)		79 602 069	144 151 573
Cash and cash equivalents at the end of the period (30.6)		**19 830 878**	**113 806 741**
Unused credit facility	5	30 000 000	0
Available liquidity at the end of the period (30.6)		**49 830 878**	**113 806 741**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

GENERAL INFORMATION

Arctic Bioscience AS ("the Company") and its subsidiaries (together "the Group") has its headquarters and registered office at Industrivegen 42 in Ørsta, Norway. The Group consists of Arctic Bioscience AS, Arctic Algae AS, Romega AS, Arctic Nutrition AS and Arctic BioPharma AS. Arctic Algae AS was acquired late Q1-2023, and fully incorporated in the consolidated figures from Q2-2023. The three other subsidiaries are established with minimal capital and have no operations. The Company is listed at Euronext Growth with the ticker ABS.

The Company's Board of Directors approved this consolidated financial report on 28 August 2024. The figures in the statements have not been audited.

The interim consolidated statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's 2023 annual report.

The accounting principles adopted in the preparation of these condensed interim consolidated financial statements are Norwegian GAAP as applied for other companies.

NOTE 1: REVENUE SEGMENTS

Arctic Bioscience's revenues come from sale of Romega nutraceutical products via B2C channels in Norway and the sale of bulk oil and protein, customized and private label products via B2B channels globally.

Amounts in NOK	H1-2024	H1-2023
Revenues by business line		
B2C	2 401 156	2 000 703
B2B	14 345 183	17 079 822
Total revenues	**16 746 339**	**19 080 525**
Revenues by region		
Norway	3 526 997	2 937 187
Americas	1 361 497	3 703 411
Europe	6 350 752	8 111 675
APAC	5 507 093	4 328 252
Total revenues	**16 746 339**	**19 080 525**

NOTE 2: OPTION SCHEME

In connection that Arctic Bioscience has changed to preparing the accounts in accordance with the requirements for other companies in the Norwegian Accounting Act, the company has implemented NRS 15A. In connection with the transaction, the simplification rules in NRS 8 section 9.1.1 have been applied, which entail the following:

1) Agreements entered into regarding share value-based remuneration that have not previously been expensed at fair value are accounted for at fair value as of 1. January 2024

2) Comparative figures for the income statement, cash flow statement and note information have not been revised

Options that have not expired or vested as of 1. January 2024:

Number of options	Strike price (NOK)	Due date	Settlement
344 396	NOK 9.85 to 31.00	Q1 2024	Equity
250 000	NOK 17.80	Q1 2025	Equity

Fair value calculated as of 1. January 2024: 110 272.

Fair value as of 1. January 2024 is expensed linearly until these are earned in Q1 2025.

NOTE 3: INTANGIBLE ASSETS

Amounts in NOK	Development	Patents & trademarks	Goodwill	Total
Acquisition cost 1.1.2024	145 186 223	2 731 889	2 971 465	150 889 577
Access	33 740 189	46 432	0	33 786 621
Departure	0	0	0	0
Acquisition cost 30.6.2024	178 926 412	2 778 321	2 971 465	184 676 198
Accumulated depreciation	-9 964 389	-1 122 357	-742 866	-11 829 612
Booked value per 30.6.2024	**168 962 023**	**1 655 964**	**2 228 599**	**172 846 586**
Depreciation H1-2024	1 131 443	169 977	297 146	1 598 566
Life expectancy	7-10 years	5-20 years	5 years	
Depreciation plan	Linear	Linear	Linear	

In 2024, the group has continued to carry out various development activities. The projects are mainly related to the development of drugs for psoriasis, production process and product development. Several projects have been granted various public grants.

The group capitalizes development costs as these are considered to form the basis for future earnings.

Booked values related to development and patents are always fraught with risk. Should the group not achieve its objectives related to the sale and commercialization of various products, this could lead to write-downs in the accounts. The company is of the opinion that there are no indicators of the obligation to write down at present, and that the development work shows results in line with expectations.

The acquiring of Arctic Algae AS in Q1 2023 identified a commercial added value of NOK 2 971 465 not attributable to other balance values at the date of the acquisition. This value is booked as goodwill in the group accounts and will be depreciated over a period of 5 years.

NOTE 4: FIXED ASSETS

Amounts in NOK	Building and plots	Machines and facilities	Ships and other floating instal.	Equipment and other movables	Total
Acquisition cost 1.1.2024	15 560 667	11 152 839	291 493	5 963 687	32 968 686
Access	0	136 131	0	17 531	153 662
Departure	0	0	0	0	0
Acquisition cost 30.6.2024	15 560 667	11 288 970	291 493	5 981 218	33 122 348
Accumulated depreciation	-1 478 310	-2 211 884	-107 651	-3 711 888	-7 509 733
Booked value per 30.6.2024	**14 082 357**	**9 077 086**	**183 842**	**2 269 330**	**25 612 615**
Depreciation H1-2024	35 250	405 637	14 574	523 699	979 160
Life expectancy	10 - 50 years	10 - 20 years	10 years	3 - 6 years	
Depreciation plan	Linear	Linear	Linear	Linear	

The group has two leasing agreements at end of H1-2024 which are booked as financial leasing. Booked value of the leasing objects as of 30.06.2024 is NOK 2 806 693 and is presented under Machines and facilities in the group balance sheet. Depreciation and interest expenses for the leased assets are expensed during the year and constitute respectively NOK 115 416 and NOK 83 309 in first half year of 2024. Residual liability as of 30.06.2024 related to the financial lease agreements is NOK 1 766 569 and is presented as non-current liabilities in the balance sheet. The lease agreements have a duration from 2021 until 2027.

NOTE 5: NON-CURRENT LIABILITIES AND ESTABLISHED CREDIT FACILITY

No part of the non-current liabilities to financial institutions falls due more than 5 years after the balance date. The non-current liabilities are related to financial leasing agreements. The Parent Company in the Group has provided a self-debtor guarantee for these liabilities, for an amount up to NOK 4.55 million.

Arctic Bioscience has an established credit facility of NOK 30 million. The credit facility has been entered into on ordinary market terms and has a duration of 1 year with annual renewal. At 30.06.2024 the credit facility is undrawn.

Arctic Bioscience has pledged the following assets as security for the credit facility:

Amounts in NOK	30.06.2024
Booked value pledged assets:	
Building and plot	4 487 944
Equipment and other movables	2 024 820
Inventories	30 625 759
Accounts receivable	11 373 041
Total booked values	**48 511 564**

In addition, Export Finance Norway, has provided additional security via an export guarantee, corresponding to 50% of the size of the credit facility, NOK 15 million.

NOTE 6: EQUITY

Amounts in NOK	Share capital	Share premium reserve	Sum equity
Equity 01.01.2024	2 536 955	256 020 281	258 557 236
Results H1-2024		-23 516 071	-23 516 071
Option scheme effect H1-2024		52 957	52 957
Equity 30.06.2024	**2 536 955**	**232 557 169**	**235 094 124**

NOTE 7: SHAREHOLDERS

The share capital in Arctic Bioscience pr. 30.6.2024 consists of:

	Quantity	Denomination	Booked
Ordinary shares	25 369 552	0.10	2 536 955
Sum	**25 369 552**		**2 536 955**

Shareholders	Total shares	% owned
Ronja Capital AS	3 087 999	12.17%
Capra Invest AS	1 544 450	6.09%
MRFK Holding AS	1 313 960	5.18%
Fjarde AP-fondene	1 200 000	4.73%
Altitude Capital AS	1 065 586	4.20%
Vartdal Holding AS	1 040 286	4.10%
Hawk Infinity AS	989 305	3.90%
Verdipapirfondet Delphi Nordic	837 427	3.30%
Brødrende Vartdal AS	803 601	3.17%
Kotler Equity Investment Limited	667 330	2.63%
Life Capitol AS	650 419	2.56%
Stette Invest AS	602 375	2.37%
Kjølås Stansekniver AS	574 859	2.27%
Ajea Invest AS	555 359	2.19%
Eggesbø Eiendom AS	520 240	2.05%
Eros AS	520 240	2.05%
Strand Fiskeriselskap AS	473 342	1.87%
Gold Cost Nutrition	450 000	1.77%
Triplenine Vedde AS	340 000	1.34%
Melesio Invest AS	315 000	1.24%
Other	7 817 774	30.82%
Sum	**25 369 552**	**100%**

In March 2024 the Board of Directors resolved to extend the share options agreements for the following members of the management group; Yuming Feng (EVP Global Business Development), Daniele Mancinelli (CTO), Hogne Hallaråker (CSO) and Per Christian Sæbø (COO). The exercise prices in the agreement for Feng were maintained at NOK 27.90 per share and maintained at NOK 9.845 per share in the agreements for Mancinelli, Hallaråker and Sæbø. The duration of the option agreements was extended until 28. February 2025. All options being exercised into shares during the duration period will be subject to a lock-in period of 12 months from the time of exercise, where shares cannot be sold or transferred without the consent of the Board.

NOTE 8: RELATED PARTY TRANSACTIONS

There have not been any transactions with related parties in the first half year of 2024.

NOTE 9: EVENTS AFTER THE BALANCE DATE

There have not been any events after 30. June 2024 that would have a material effect on the financial statements.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

Alternative performance measures, meaning financial performance measures not included within the applicable financial performance reporting framework, are used by the Company to provide supplemental information by excluding items that in management's view, does not give indications of the periodic operating results. Financial APMs are used to enhance comparability of the results from a period to the next, and management uses these measures internally when driving performance in terms of long- and short-term forecasts. The measures are adjusted Norwegian GAAP measures, and are defined, calculated, and consistently applied in the Group's financial reporting. Financial APMs should not be considered as substitute for measures of performance in accordance with applicable financial reporting framework.

The Group uses the following APMs in the reporting:

- **EBITDA:** Operating profit before depreciation, amortization, write-downs and impairments
- **Adjusted EBITDA:** Operating profit before depreciation, amortization, write-downs and impairment, and special operating items
- **EBIT:** Operating profit
- **Adjusted EBIT:** Operating profit before special operating items
- **Gross Profit:** Total revenue minus cost of goods sold
- **Adjusted Gross Profit:** Total revenue minus cost of goods sold before special operating items
- **Gross Margin %:** Gross profit as a % of total revenue
- **Adjusted Gross Margin %:** Gross profit as a % of total revenue before special operating items

"EBITDA" and "Adjusted EBITDA" are used as APMs to facilitate operating performance comparisons from period to period, and the others are relevant key figures mainly in connection with the mentioned performance measures. The significant items of income and expenditures represent the difference between EBITDA and Adjusted EBITDA and are labeled "Special operating items".

The following table reconciles Adjusted EBITDA to Operating profit and Net income (loss) in condensed consolidated statements of Profit & loss:

	Arctic Bioscience Group	
Amounts in NOK	H1-2024	H1-2023
Adjusted EBITDA		
Net income	-23 516 071	-20 664 513
Net financial items	667 849	1 920 529
Operating profit	**-24 183 920**	**-22 585 042**
Depreciation	2 577 726	2 552 128
EBITDA	**-21 606 194**	**-20 032 914**
Special operating items	684 329	1 739 931
Adjusted EBITDA	**-20 921 865**	**-18 292 983**
Adjusted EBIT		
Adjusted EBITDA	-20 921 865	-18 292 983
Depreciation	2 577 726	2 552 128
Adjusted EBIT	**-23 499 591**	**-20 845 111**
Adjusted gross profit		
Revenues	16 746 339	19 080 525
Cost of goods sold	11 615 919	13 350 048
Gross profit	5 130 420	5 730 477
Special operating items	0	0
Adjusted gross profit	**5 130 420**	**5 730 477**
Adjusted gross margin %	**30.6 %**	**30.0 %**
Special operating items include:		
Pre-concept new production line	684 329	1 739 931
Sum	**684 329**	**1 739 931**

ARCTIC
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